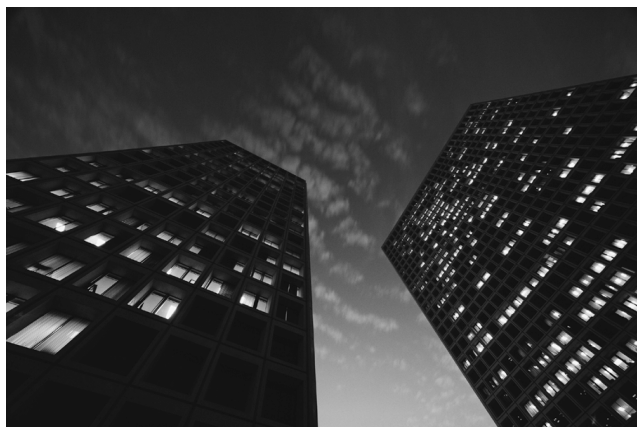


Integrating Industrial Business Development with Electric Distribution Capacity



EPRI recognizes the extraordinary pressures on deregulation-era electric distribution (“wires”) companies as they transform into enterprises facing low profit margins, limited resources, and investor demands for increased return on assets. This business environment requires strategic and synergistic company planning and highly coordinated solutions.

Distribution companies can increase their profitability if they focus their limited resources on industrial business development in specific areas of their service territories in which their distribution facilities are underutilized. Where distribution facilities are fully utilized or even overburdened, strategies to contain customer energy use can result in deferral of capital investment. By geographically targeting such efforts, you can develop customer strategies that will help maximize return on assets and investments.

EPRI NOW OFFERS A PRODUCT AND SUPPORT SERVICE to assist you with your integrated business development strategy formulation and implementation. The process begins by defining specific goals for distribution company regions. These goals will include quantifiable measures of revenue growth, return on assets and return on investment,

Improves “Wires” Company Profitability Through Targeted Business Development Programs

as well as qualitative goals such as quality of service and customer satisfaction. These goals drive an assessment of asset utilization that identifies regions that

- can expand without substantial capital investment in distribution infrastructure, meaning that the siting of new industrial plants or plant expansions may be desirable,
- have reached throughput capacity, where reductions in customer energy use (such as shifting of energy use from peak times) and discouraging new plants/plant expansions may be desirable.

This assessment allows you to identify ways to target load growth in regions with adequate capacity while reducing/deferring load growth in areas with distribution assets that are over utilized, thereby optimizing the overall utilization of the entire distribution system. The same goals are used to help planners evaluate and identify industry sectors that are desirable from an energy use perspective. Examining your distribution company’s capacity expansion potential together with industry growth potential of a particular area drives the formulation of regional business development strategies.

EPRI CAN MAKE THE FOLLOWING TYPES OF PRODUCTS AVAILABLE

- Intelligence Profile Reports on selected customer segments, detailing customer operations, business outlook, amenability to load growth/reduction, and enabling technologies

- Report describing rankings of energy distribution company subregions, including load growth/load reduction strategies
- A workshop on each sector being targeted for business development
- Industrial Business Development Plan, including target companies
- Industrial Business Development Target Company Reports


EPRI'S INDUSTRIAL KNOWLEDGE AND TECHNICAL

CAPABILITIES MAKE US UNIQUELY QUALIFIED to provide this customizable program. Our twenty five years of experience in industrial processes and electrotechnologies, coupled with a vast background in power operations and market segmentation, put us on the leading edge of strategies for programs by which to meet deregulation head-on.

THIS CUSTOMIZABLE PROGRAM IS OPEN TO current and emerging distribution companies, and can be initiated upon client request. The price of this program will vary, depending on the number of target market segments, the number and characteristics of the customers in each segment, and the size and complexity of your company's distribution system and assets.

FOR MORE INFORMATION, CONTACT the EPRI Customer Assistance Center at 800-313-3774 or askepri@epri.com or William M. Smith at 650-855-2415 or wmsmith@epri.com.

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